

Borough and the Arctic Slope Regional Corp. This is the concentration of the 7,500 Inupiat Eskimo people who live on the North Slope of Alaska. A few days ago they called Secretary Babbitt's participation in a press conference here in Washington where he proposed objecting to opening ANWR as a shameful disgrace to his office.

Those are harsh words, Mr. President, but the Eskimo people attempted to remind the Secretary that he has a legal duty to serve as a trustee for all Native Americans, and the Eskimo people think he has violated that duty as a trustee and a fiduciary to the Eskimo people. He has done so by joining a small minority, which is 1 percent, I might add, of Alaska's native people who are opposed to opening up the Arctic oil reserve.

It is rather interesting to note who funds the Gwich'in. It is the Sierra Club and the environmental groups that put ads in the New York Times, and so forth, and inhibit, if you will, through fear tactics such as I observed when I was in one of the Gwich'in villages, an Arctic village this summer, a big, slick, Hollywood picture of the Buffalo in the tribal house. Underneath it, it said: "Don't let happen to the Porcupine caribou herd what happened to the buffalo." Obviously, we were out to shoot the buffalo years and years ago when the buffalo became extinct on the ranges of the Western United States.

That is not the case with oil exploration, and we can protect the Porcupine caribou herd without a doubt, just as we have seen the tremendous growth of the central Arctic herd. Before oil, that herd was about 4,000 animals. Today there are about 20,000 animals.

Let me go on with that statement.

Furthermore, the Eskimos indicate that Alaska's 90,000 Aleut, Indian and Eskimo people support opening the coastal plain to oil and gas leasing. In a vote of the Alaska Federation of Natives in their delegation meeting, they voted 2 to 1 in support of creating jobs through development.

They further state that the Inupiat Eskimo people who reside on the Arctic Ocean of Alaska favor virtually unanimously opening the coastal plain. They indicate that they have lived with the oil industry for 25 years. The North Slope oil development is safe. It is compatible with the caribou and wildlife, and oil development has given them jobs, a tax base for essential public services and an economic opportunity for all Alaska's native people.

They further state that, properly regulated, North Slope oil development is fully compatible with the caribou, the birds, the fish, and the wildlife on which the people depend. This is the Eskimo people speaking, Mr. President.

They further state—and I think this is probably most significant as we reflect on the ad that I referred to earlier: "Don't tax her opportunity to get off welfare"—the Eskimo people are

trying desperately to work their way out of Federal dependency. And because of their success, they now find themselves opposed at nearly every turn by the Assistant Secretary for Indian Affairs, Ada Deer, who spoke in Anchorage at the convention. She opposes successful native American corporations and organizations. One concludes she wants the Eskimo people to be dependent—not independent but dependent—on the Bureau of Indian Affairs.

The Eskimos indicate that dependence kills self-initiative; it breeds a welfare society. They want to follow the American way, the way of independence, self-help, individual responsibility, family values, sense of community. This is what the Eskimo people of the Arctic want. They want this opportunity. Yet, the environmental community suggests that it is the wrong thing to do because the environmental community is trying to scare America saying we cannot open it safely.

The Eskimos indicate that it is a tragic day for the 7,500 Inupiat Eskimo people. It is the first time, they say, that the Secretary of the Interior has rejected his trust responsibilities to pursue the naked political objectives of those who are opposed to the interests of native Americans.

They indicate that the Secretary of Interior and his administration penalize hard work, penalize success. They want to champion dependency, welfare and allegiance to an incompetent Bureau of Indian Affairs. They put the commercial fund-raising interests of environmental organizations over those of the 7,500 Eskimo people who need help.

Secretary Babbitt, and, unfortunately, this administration, seem to oppose opening the coastal plain on the one hand, yet they are actively selling OCS oil and gas leases in the Arctic Ocean adjacent to the coastal plain. Well, they simply have it backwards. Oil development onshore is safe. Oil development in the isolated Arctic wind-driven waters of the ocean is risky. It is hazardous. So as a consequence the word of the Eskimo people is the word of the people who live in the area, who have a commitment to care for the animals of the area, and a realization based on their experience that this area can be opened safely if they are given the opportunity, and that is all they ask.

So I would encourage my colleagues, do not sell American technology, ingenuity, or the people of the area short as we consider opening up the Arctic oil reserves in ANWR. We can do it safely. And it is in the national interest, as well as the interest of the Eskimo people, all the Native people of Alaska, and my State of Alaska as well.

THE PESO CONTINUES TO SLIDE

Mr. MURKOWSKI. Mr. President, I also want to add and take a brief mo-

ment to make a statement in regard to the peso, which continues to slide rather dramatically today. I would like to bring to the attention of this body that the economic crisis continues in Mexico. As we recalled yesterday, the Mexican peso fell to a record low against the dollar—7.8 pesos to the dollar. That peso evaluation is even lower than last January and February when the administration told us that the Mexican economy was in crisis and the American taxpayer had to bail out Mexico. There was a good deal of debate in this body at that time.

One of the reasons that Mexico's economy is in such deep trouble is the Government's PACTO with labor, agriculture, and business leaders. The Bank of Mexico announced some 2 weeks ago it will raise its minimum wages 10 percent by December and another 10 percent in April 1996. It will raise the price of gasoline, diesel fuel, electricity by 7 percent in December and another 6 percent next April. And there will be increases of 1.2 percent in all other months.

Think about that. These price increases follow the 35-percent oil price increase and 20 percent electricity price increase set last March. Investors Business Daily called the PACTO "centralized economic planning at its worst—more reminiscent of Soviet style 5 year plans than of the free market." Still, Treasury Secretary Rubin said that "structural reform continues to improve the long-term prospects for the—Mexican—economy, attracting both domestic and foreign investment."

Well, I suggest, Mr. President, that the Secretary of the Treasury has it all wrong. The Mexican economy is in a free-fall. Just this Thursday interest rates on 28-day Treasury bills soared to 54 percent. Inflation is currently running at 40 percent.

Mr. President, this administration earlier this year told the Congress that by the second half of 1995 Mexico's economy would stabilize, it would stabilize only if we bailed out the speculators with American taxpayer dollars. The only thing that has happened is that the speculators in tesobonos have all been paid off 100 cents on the dollar, courtesy of the United States taxpayer, and the Mexican economy today is in shambles.

The \$20 billion bailout and the economic conditions we forced on Mexico have produced, in the opinion of this Senator from Alaska, an economic disaster. I doubt that we will see Mexico pay back the American taxpayer. I fear that the economic austerity that we have forced on Mexico will lead to a political disaster south of the border.

I hope that prediction is not true. But I think it is time to go back and reassess—reassess, Mr. President—what we did earlier this year in bailing out those investors in tesobonos, most

of which were sophisticated U.S. investors. The American taxpayers bailed them out. Here today we are seeing that that effort to try to stabilize the Mexican Government apparently has failed.

Mr. President, I have concluded my remarks. I wish the President a good day, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, pursuant to a previous order, I believe I have 20 minutes during morning business.

The PRESIDING OFFICER. The Senator is correct.

MEDICAID PROGRAM

Mr. GRAHAM. Mr. President, today I conclude a series of talks on the Medicaid Program. I began a four-part presentation last Friday by debunking the myth that the Medicaid Program has been a failure. In fact, an objective review of the accomplishments of this Federal-State partnership tells us that the Medicaid Program has been an American success story.

Just a few examples: The decrease in infant mortality rate from 10.6 deaths per thousand livebirths as recently as 1985 to 8.5 in 1992, largely attributable to an expanded effort in the Medicaid Program;

The improved quality of long-term care for millions of elderly citizens in a manner befitting their human dignity;

The deinstitutionalization of 125,000 profoundly handicapped Americans.

With that record of accomplishment established, on Tuesday of this week, I examined why Federal spending on Medicaid has increased throughout its history and why it is expected to increase in the next years. I pointed to such things as the demographic changes in America, particularly the increasing longevity which has driven up the number of persons who are in need of long-term care.

I addressed the numerous programmatic expansions in Medicaid that reflected compelling policy decisions, such as the decision to reduce infant mortality. That has led to increased costs as well.

Finally, I cited the erosion of private health coverage for millions of children, an issue which has become a major subject of public concern this week with the publication of a study in the *Journal of the American Medical Association* on that very topic, documenting the trend that as private sector insurance abandon children and their parents, the Medicaid Program picked up the slack, helping them get immunizations, checkups, and, when needed, specialty care.

Mr. President, this is not to say that part of the increase in the cost of Medicaid was not attributable to abusive or wasteful practices. Yesterday, I spoke about the abuses in the Disproportionate Share Hospital Program, known as DSH. I decried how the Senate, by its vote on October 27, rewarded with millions, and in some cases billions, of dollars those very States that gamed the DSH program. What is worse, the Senate majority voted to fund these rewards by raiding the Social Security trust fund and by perverting sound budgetary practices.

Mr. President, with that backdrop in place, I come to the Senate floor today with a message of hope. I bring to this Chamber a proposal that recognizes the importance of maintaining the Federal-State partnership in Medicaid and restraining costs.

The Senate is not in a posture of block grants or bust. There is another way. Why should we consider an alternative? We should consider an alternative because the alleged benefits of block grants—flexibility to the States particularly—are minimal, and the costs and loss of a Federal partner in a time of need for the most vulnerable of Americans are great.

The foundation upon which the block grants have been built, that they enhance flexibility for the States, is on shaky ground—shaky ground which erodes by close examination; shaky, that is, unless you define “flexibility” as the freedom to raise State taxes or local property taxes, or the flexibility to pit the elderly against children as beneficiaries for the Medicaid Program. Otherwise, there is precious little flexibility the States can receive that they cannot already get under the current Medicaid program waiver.

The Department of Health and Human Services has pioneered, with willing States, extraordinary demonstration projects where statutory and regulatory requirements can be waived to permit new approaches to health care. In my State of Florida, we have been in the vanguard of this waiver movement, particularly in the area of providing community-based services for older citizens and expanding the use of managed care for poor children.

Before the Senate brought the Medicaid legislation to the floor, I met with Mr. Bruce Vladeck of the Health Care Financing Administration, generally known as HCFA. My question to him was:

What flexibility, to allow innovation, would the block grants give States that they cannot get today through the waiver program?

Here is a summary of his answer:

States today can test new approaches to publicly supported health care by obtaining waivers to statutory requirements and limitations. Waivers permit States flexibility from Federal Medicaid statutory and regulatory requirements. State Medicaid demonstrations present valuable opportunities to both State and Federal policymakers to refine and test policies that improve access to the quality of care for vulnerable Med-

icaid populations and to more effectively manage the cost of providing that care.

Mr. President, I ask unanimous consent that the full statement by Mr. Vladeck be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAHAM. What do the States relinquish in exchange for the marginal new flexibility that they will allegedly receive? The Federal partnership to assist them, if they experience caseload growth, will be surrendered. The Federal partnership, during times of economic hardship or recession, will be surrendered. And the Federal partnership, if there is a natural disaster—when Hurricane Andrew hit south Florida, Mr. President, our Medicaid caseload shot up by 12,000 people. Not only had their homes been blown away, their jobs had been blown away. Therefore, people who had been employed and self-supporting needed the assistance of Medicaid during that time of crisis.

Under block grants, a State that is knocked down to its knees by a flood, earthquake, hurricane, would not find a helping hand from the Federal Government at the time it needed help to get back on its feet. No, Mr. President, acts of God and block grants do not mix.

Mr. President, this is not a new debate. In January 1982, during his State of the Union Address, on the 26th day of that month, President Reagan recognized the issue of the States and the Federal Government's partnership in Medicaid. Did President Reagan advocate that Medicaid ought to be turned back to the States in the form of a block grant? Did he advocate that the States be left alone to deal with issues of changes in their growth, changes in economic circumstances, natural disasters? No, Mr. President, that was not the position of President Reagan.

Let me quote from his State of the Union Address what President Reagan said on January 26, 1982:

Starting in fiscal year 1984, the Federal Government will assume full responsibility for the cost of the rapidly growing Medicaid Program, to go along with its existing responsibility for Medicare. As part of this financially equal swap, the States will simultaneously take full responsibility for Aid for Families with Dependent Children and food stamps.

Mr. President, that was the swap that President Reagan proposed on January 26, 1982. I believe the President's advice, in terms of a greater, not a lesser, Federal role in Medicaid, was wise then, and it is advice that we should seriously consider following today.

If block grants are as bad as I suggest they are, is the only alternative to them business as usual? No, Mr. President. There is a way to have the best of both worlds, and to contain costs while maintaining the Federal-State partnership in Medicaid.